

<i>SERFF Tracking Number:</i>	<i>PERR-125748982</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Ohio Indemnity Company</i>	<i>State Tracking Number:</i>	<i>#103390 \$100</i>
<i>Company Tracking Number:</i>	<i>OIC-CDT-GAP-AR-08-01-R</i>		
<i>TOI:</i>	<i>28.0 Credit</i>	<i>Sub-TOI:</i>	<i>28.0005 Personal GAP Insurance</i>
<i>Product Name:</i>	<i>Guaranteed Auto Protection</i>		
<i>Project Name/Number:</i>	<i>OIC-CDT-GAP-AR-08-01-R/OIC-CDT-GAP-AR-08-01-R</i>		

Filing at a Glance

Company: Ohio Indemnity Company

Product Name: Guaranteed Auto Protection

TOI: 28.0 Credit

Sub-TOI: 28.0005 Personal GAP Insurance

Filing Type: Rate/Rule

SERFF Tr Num: PERR-125748982 State: Arkansas

SERFF Status: Closed

State Tr Num: #103390 \$100

Co Tr Num: OIC-CDT-GAP-AR-08-01-R

State Status: Fees verified and received

Co Status:

Reviewer(s): Llyweyia Rawlins

Authors: Neresa Torres, Olga E. Burciaga

Disposition Date: 08/06/2008

Date Submitted: 07/30/2008

Disposition Status: Exempt from Review

Effective Date Requested (New): 10/01/2008

Effective Date (New): 10/01/2008

Effective Date Requested (Renewal): On Approval

Effective Date (Renewal): 08/06/2008

State Filing Description:

General Information

Project Name: OIC-CDT-GAP-AR-08-01-R

Project Number: OIC-CDT-GAP-AR-08-01-R

Reference Organization:

Reference Title:

Filing Status Changed: 08/06/2008

State Status Changed: 08/06/2008

Corresponding Filing Tracking Number: OIC-CDT-GAP-AR-08-01-F

Filing Description:

On behalf of Ohio Indemnity Company (the "Company"), we are submitting a rate and rule revision to their Guaranteed Auto Protection Program, which is based on a competitive review of the marketplace.

Status of Filing in Domicile: Pending

Domicile Status Comments:

Reference Number:

Advisory Org. Circular:

Deemer Date:

Due to the nature of GAP policies, the revisions to the rates and rules will not affect any existing policyholders and thus have no premium impact. This is because a GAP policy is effective for the lifetime of the covered vehicle and thus GAP

SERFF Tracking Number:	PERR-125748982	State:	Arkansas
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Company Tracking Number:	OIC-CDT-GAP-AR-08-01-R		
TOI:	28.0 Credit	Sub-TOI:	28.0005 Personal GAP Insurance
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Project Name/Number:	OIC-CDT-GAP-AR-08-01-R/OIC-CDT-GAP-AR-08-01-R		

policies are not renewed. Please see the enclosed memorandum for further detail.

The Company respectfully requests that the proposed rate and rule revision become effective on October 1, 2008.

Enclosed is authorization for Perr&Knight to submit this filing on behalf of the Company. All correspondence related to this filing should be directed to Perr&Knight. If there are any requests for additional information related to items in this filing, we will forward the request immediately to the Company. We will submit the Company's response to your attention as soon as we receive it.

Please do not hesitate to contact us with any questions or comments.

Company and Contact

Filing Contact Information

(This filing was made by a third party - perrandknightactuaryconsultants)

Olga Burciaga, Filing Analyst	doi@perrknight.com
881 Alma Real Dr Suite 205	(310) 230-9339 [Phone]
Pacific Palisades, CA 90272	

Filing Company Information

Ohio Indemnity Company	CoCode: 26565	State of Domicile: Ohio
250 E. Broad Street, 10th Floor	Group Code:	Company Type:
Columbus, OH 43215	Group Name:	State ID Number:
(614) 220-5210 ext. [Phone]	FEIN Number: 31-0620146	

Filing Fees

Fee Required?	Yes
Fee Amount:	\$100.00
Retaliatory?	No
Fee Explanation:	AR filing fee is \$100.00
Per Company:	No

SERFF Tracking Number: PERR-125748982 State: Arkansas
Filing Company: Ohio Indemnity Company State Tracking Number: #103390 \$100
Company Tracking Number: OIC-CDT-GAP-AR-08-01-R
TOI: 28.0 Credit Sub-TOI: 28.0005 Personal GAP Insurance
Product Name: Guaranteed Auto Protection
Project Name/Number: OIC-CDT-GAP-AR-08-01-R/OIC-CDT-GAP-AR-08-01-R

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Ohio Indemnity Company	\$0.00	07/30/2008	

CHECK NUMBER	CHECK AMOUNT	CHECK DATE
103390	\$100.00	07/29/2008

<i>SERFF Tracking Number:</i>	<i>PERR-125748982</i>	<i>State:</i>	<i>Arkansas</i>
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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Exempt from Review	Llyweyia Rawlins	08/06/2008	08/06/2008

<i>SERFF Tracking Number:</i>	<i>PERR-125748982</i>	<i>State:</i>	<i>Arkansas</i>
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Disposition

Disposition Date: 08/06/2008

Effective Date (New): 10/01/2008

Effective Date (Renewal): 08/06/2008

Status: Exempt from Review

Comment:

This line is exempt from filing rates/rules in compliance with ACA 23-67-206 which states that P&C insurance for commercial risks, excluding workers' compensation, employers' liability and professional liability insurance, including but not limited to, medical malpractice insurance, are exempted from the rate/rule filing and review requirements.

Company Name:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Premium:	Maximum % Change (where required):	Minimum % Change (where required):	Overall % Indicated Change:
Ohio Indemnity Company	32.300%	\$0	0	\$0	0.000%	0.000%	25.400%

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<i>Company Tracking Number:</i>	<i>OIC-CDT-GAP-AR-08-01-R</i>		
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Item Type	Item Name	Item Status	Public Access
Supporting Document	Filing Memo, Exhibits and Letter of Authorization	Accepted for Informational Purposes	Yes
Rate	Rate Manual	Accepted for Informational Purposes	Yes

SERFF Tracking Number:	PERR-125748982	State:	Arkansas
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Rate Information

Rate data applies to filing.

Filing Method:	File and Use
Rate Change Type:	Increase
Overall Percentage of Last Rate Revision:	0.000%
Effective Date of Last Rate Revision:	12/20/2004
Filing Method of Last Filing:	

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Premium:	Maximum % Change (where required):	Minimum % Change (where required):
Ohio Indemnity Company	25.400%	32.300%	\$0	0	\$0	0.000%	0.000%

<i>SERFF Tracking Number:</i>	<i>PERR-125748982</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Ohio Indemnity Company</i>	<i>State Tracking Number:</i>	<i>#103390 \$100</i>
<i>Company Tracking Number:</i>	<i>OIC-CDT-GAP-AR-08-01-R</i>		
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Rate/Rule Schedule

Review Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Attachments Number:
Accepted for Informational Purposes	Rate Manual	GAP-RR (7-2008)	Replacement	GAP-RR (7-2008) v2 FINAL.pdf

Ohio Indemnity Company

GAP PROGRAM

Rate Manual

Two class plans are available to the prospective insured. Class Plan A includes automobiles, light trucks and vans, and motorcycles. Class Plan B includes recreational vehicles, travel trailers, and watercraft. Both class plans are intended for covered vehicles used for non-commercial purposes and are subject to terms, conditions, and exclusions as outlined in the GAP Policy.

Rates are determined by analyzing certain loan/lease portfolio characteristics of the prospective insured for each Class Plan and applying the formula presented in Section I below. Blended premium rates, or term based premium rates are available to each prospective insured. This premium rate will be remitted for each vehicle covered under the insured's policy. Rates for Class Plan B are only available by loan term and amount financed. When necessary, rating variables will be extrapolated in order to determine an appropriate rate for the prospective insured. In doing so, each variable will be considered and calculated in a manner consistent with the variables presented in this manual, the respective profile of the potential insured.

The Blanket program is only available with Class Plan A, and includes coverage on every new loan or lease in an insured's portfolio. With each loan/lease, the insured waives the deficiency balance, or GAP, that is created after a total loss settlement is applied. The insured informs us of each new loan/lease transaction occurring in a given month and pays the applicable premium. We provide coverage for Gap losses that occur throughout the term of the loan/lease. The base rate is lower for blanket programs because the entire portfolio is covered, which produces a favorable spread of risks, and lower administrative costs.

In the Optional Gap program, the insured offers the borrower a waiver of the deficiency balance, or GAP that is created after a total loss settlement is applied. This waiver is typically offered by a loan officer or by the finance and insurance manager of an automobile dealership. The base rate is higher for the optional program because typically those borrowers/lessees with low down payments or higher risk of total loss purchase the waiver. The optional program is available with both Class Plan A and Class Plan B.

I. Premium Calculation Formula

Premium = Base Rate + (Base Rate * Rating Factors)

All applicable surcharges and discounts from the rating factors presented in Sections III through V are added together and applied to the base rate using the premium calculation formula.

Ohio Indemnity Company

GAP PROGRAM Rate Manual

II. Base Rates

A. Class Plan A- Automobiles/Light Trucks and Vans

1) Base Rates by Term

a) Optional Base Rates

Lease/Loan Term	Rate
1-60 months	\$95.00
61-72 months	\$175.00
73-84 months	\$220.00
85-96 months	\$275.00

b) Blanket Base Rates

Lease/Loan Term	Rate
1-60 months	\$20.00
61-72 months	\$110.00
73-84 months	\$200.00
85-96 months	\$250.00

2) Blended Base Rates

Blended base rates are offered to lender clients who offer GAP on a direct lending basis, or whose lending practices create minimal risk of adverse selection.

Program	Loan/Lease
Optional	\$155.00
Blanket	\$40.00

Ohio Indemnity Company

GAP PROGRAM

Rate Manual

B. Class Plan B- Recreational Vehicles/Watercraft

Tiered rates are available by term and amount financed.

Amt Financed	Terms								
	1 to 60	61 to 72	73 to 84	85 to 96	97 to 108	109 to 120	121 to 180	181 to 240	over 240
\$1-\$5,000	\$16	\$32	\$56	\$84	\$118	\$144	\$222	\$256	\$320
\$5,001-\$10,000	\$22	\$43	\$77	\$116	\$162	\$198	\$305	\$352	\$440
\$10,001-\$15,000	\$28	\$55	\$98	\$147	\$207	\$252	\$389	\$448	\$560
\$15,001-\$20,000	\$34	\$67	\$119	\$179	\$251	\$306	\$472	\$544	\$680
\$20,001-\$25,000	\$40	\$79	\$140	\$210	\$295	\$360	\$555	\$640	\$800
\$25,001-\$30,000	\$45	\$91	\$161	\$242	\$339	\$414	\$638	\$736	\$920
\$30,001-\$35,000	\$51	\$103	\$182	\$273	\$384	\$468	\$722	\$832	\$1,040
\$35,001-\$40,000	\$57	\$115	\$203	\$305	\$428	\$522	\$805	\$928	\$1,160
\$40,001-\$45,000	\$63	\$126	\$224	\$336	\$472	\$576	\$888	\$1,024	\$1,280
\$45,001-\$50,000	\$69	\$138	\$245	\$368	\$516	\$630	\$971	\$1,120	\$1,400
\$50,001-\$55,000	\$75	\$150	\$266	\$399	\$561	\$684	\$1,055	\$1,216	\$1,520
\$55,001-\$60,000	\$81	\$162	\$287	\$431	\$605	\$738	\$1,138	\$1,312	\$1,640
\$60,001-\$65,000	\$87	\$174	\$308	\$462	\$649	\$792	\$1,221	\$1,408	\$1,760
\$65,001-\$70,000	\$93	\$186	\$329	\$494	\$693	\$846	\$1,304	\$1,504	\$1,880
\$70,001-\$75,000	\$99	\$198	\$350	\$525	\$738	\$900	\$1,388	\$1,600	\$2,000
\$75,001-\$80,000	\$105	\$209	\$371	\$557	\$782	\$954	\$1,471	\$1,696	\$2,120
\$80,001-\$85,000	\$111	\$221	\$392	\$588	\$826	\$1,008	\$1,554	\$1,792	\$2,240
\$85,001-\$90,000	\$117	\$233	\$413	\$620	\$870	\$1,062	\$1,637	\$1,888	\$2,360
\$90,001-\$95,000	\$122	\$245	\$434	\$651	\$915	\$1,116	\$1,721	\$1,984	\$2,480
\$95,001-\$100,000	\$128	\$257	\$455	\$683	\$959	\$1,170	\$1,804	\$2,080	\$2,600
\$100,001-\$105,000	\$134	\$269	\$476	\$714	\$1,003	\$1,224	\$1,887	\$2,176	\$2,720
\$105,001-\$110,000	\$140	\$280	\$497	\$746	\$1,047	\$1,278	\$1,970	\$2,272	\$2,840
\$110,001-\$115,000	\$146	\$292	\$518	\$777	\$1,092	\$1,332	\$2,054	\$2,368	\$2,960
\$115,001-\$120,000	\$152	\$304	\$539	\$809	\$1,136	\$1,386	\$2,137	\$2,464	\$3,080
\$120,001-\$125,000	\$158	\$316	\$560	\$840	\$1,180	\$1,440	\$2,220	\$2,560	\$3,200

Ohio Indemnity Company

GAP PROGRAM Rate Manual

III. Rating Factors

A. Class Plan A- Automobiles/Light Trucks and Vans

Average Interest Rate

Interest Rate Range	Loans/Leases
0.0%-2.0%	-25%
2.1%-4.0%	-20%
4.1%-6.0%	-15%
6.1%-8.0%	-10%
8.1%-10.0%	0%
10.1%-12.0%	10%
12.1%-15.0%	15%
15.1%-17.0%	20%
Over 17%	25%

Average Percent of MSRP or NADA

MSRP/NADA Range	Loans/Leases
100%-105%	0%
106%-110%	20%
111%-115%	40%
116%-120%	60%
121%-125%	80%
126%-130%	100%
131%-135%	120%
136%-140%	140%
141%-145%	160%
146-150%	180%

Average Loan/Lease Term

Average Term	Loans/Leases
1 to 24 months	-40%
25 to 36 months	-30%
37 to 46 months	-20%
47 to 53 months	-10%
54 to 60 months	0%
61 to 72 months	50%
73 to 84 months	100%
84 to 96 months	150%

Ohio Indemnity Company

GAP PROGRAM Rate Manual

Average Amount Financed

Amount Financed Range	Loans/Leases
\$5000-\$10,000	-20%
\$10,001-\$13,000	-10%
\$13,001-\$15,000	0%
\$15,001-18,000	10%
\$18,001-\$20,000	20%
\$20,001-\$25,000	40%
\$25,001-\$30,000	50%
\$30,001-75,000	75%

B. Class :Plan B- Recreational Vehicles/Watercraft

Average Interest Rate

Average Interest Rate	Loans/Leases
1.0%-9.0%	-4%
9.1%-10.0%	0%
10.1%-11.0%	6%
11.1%-12.0%	12%
12.1%-13.0%	18%
13.1%-14.0%	24%
14.1%-15.0%	30%
15.1%-16.0%	37%
16.1%-17.0%	43%
17.1%-18.0%	50%
18.1%-19.0%	57%
19.1%-20.0%	64%
20.1%-25.0%	72%

Average Percent of MSRP or NADA

MSRP/NADA Range	Loans/Leases
100%-105%	0%
106%-110%	20%
111%-115%	40%
116%-120%	60%
121%-125%	80%
126%-130%	100%
131%-135%	120%
136%-140%	140%
141%-145%	160%
146-150%	180%

The Maximum Coverage Period for Class Plan B will not exceed 84 months.

Ohio Indemnity Company

GAP PROGRAM

Rate Manual

IV. Miscellaneous Rating Factors

Additional Covered Vehicle

Add \$30 to Class Plan A Base Rate for Motorcycles. All other Additional Covered Vehicles are determined using the Premium Calculation formula from Section I.

Actual Cash Value Endorsement

Actual Cash Value -16.50%

Primary Carrier Deductible Coverage

Primary Carrier Deductible Coverage Limit	Premium Credit
\$0.00	-20%
\$250.	-15%
\$500	-10%
\$750	-5%
\$1,000	0%

Maximum Liability per Occurrence

Maximum Liability	Premium Credit
\$50,000	0%
\$25,000	-3%
\$10,000	-4%
\$7,500	-6%
\$5,000	-8%
\$2,500	-15%
\$1,500	-30%

GAP Advantage Benefit

Advantage Benefit	Premium Charge
\$1,000	\$30.00
\$1,500	\$45.00
\$2,000	\$60.00
\$2,500	\$75.00

Ohio Indemnity Company

GAP PROGRAM Rate Manual

Deferred Payments Coverage

Deferred Payments	Factor
1	5%
2	7.5%
3	10.0%
4	12.5%

Past Due Period Coverage

Past Due Period (in days)	Factor
30	4%
60	6%
90	8%
120	10%

Full Refund Period

Refund Period (in days)	Factor
30	0%
60	6%
90	9%
120	12%

Minimum Auto Premium

Program Type	Loans/Leases
Blanket	\$50.00
Optional	\$55.00

Ohio Indemnity Company

GAP PROGRAM

Rate Manual

V. Rate Modifications

Modification Basis	Modification Range		
	Credit		Debit
A. Average Interest Rate or APR: i. Higher than prevailing rates (+) ii. Lower than prevailing rates (-)	25%	to	25%
B. Average Capitalization Cost or Amount Financed: i. High average balance lending (+) ii. Low average balance lending (-)	25%	to	25%
C. Average Term of Lease/Loan Contract: i. Greater than industry average (+) ii. Less than industry average (-)	25%	to	25%
D. Down Payment Requirement: i. Higher than average (-) ii. Lower than average (+)	25%	to	25%
E. Financing as Percent of Vehicle Value: i. Over 105% financing (+) ii. 105% or less financing (-)	25%	to	25%
F. Overall Lending/Leasing Practices: i. Conservative or stable (-) ii. Aggressive or volatile (+)	25%	to	25%
G. Mix of Vehicle Models and Geographic Spread: i. Few model types and/or geographic concentration ii. Variety of model types and/or dispersed geographically	25%	to	25%
H. The rate deviation factor is applied in a multiplicative manner. I. All Rate deviations are based on evidence present in the file at the time the deviation factor is applied. J. The effective date of any rate deviation is not prior to our receipt of the evidence supporting the rate deviation. K. Any deviation developed under this plan shall be for the policy term. If the deviation proves to be inequitable because of materially changed conditions, a new deviation based upon such change will be established. The new deviation will apply to all new contracts issued on or after the date of such change. L. The insured will be advised in writing in terms sufficiently clear and specific as to the basis for any schedule debit or credit that is applied.			

Ohio Indemnity Company

GAP PROGRAM Rate Manual

The total debit or credit, for Rate Modifications above, cannot exceed the percentage shown in the table below.

-15/+15		-25/+25		-40/+25	-40/+40	-50/+40	-50/+50	NA1
NY2	AL	LA2	OK	SC	AK	GA	IL	HI
	AZ	MA	OR		AR		IN	NE
	CA	MI	PR		KS		KY	
	CO	MO	SD		ME		NC	
	CT	NV	UT		MD		TN	
	DE	NJ	WA		MN		VT	
	DC	NM			MS		VA	
	FL	ND			MT		WI	
	ID	OH			NH		WY	
	IA				PA			
					RI			
					TX			
					WV			

¹ NA = Schedule Rating is not available

² Characteristics capped at +/-10%.

SERFF Tracking Number: PERR-125748982 State: Arkansas
Filing Company: Ohio Indemnity Company State Tracking Number: #103390 \$100
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TOI: 28.0 Credit Sub-TOI: 28.0005 Personal GAP Insurance
Product Name: Guaranteed Auto Protection
Project Name/Number: OIC-CDT-GAP-AR-08-01-R/OIC-CDT-GAP-AR-08-01-R

Supporting Document Schedules

		Review Status:
Satisfied -Name:	Filing Memo, Exhibits and Letter of Authorization	Accepted for Informational Purposes 08/06/2008

Comments:

Attachments:

AR memo.pdf
OIC - ROE Exhibit (CW x CA, FL, TX, WA).pdf
OIC - New Authorization Letter.pdf

**Ohio Indemnity Company
Guaranteed Auto Protection (GAP) Program**

**Filing Memorandum
Arkansas**

With this rates, rules, and forms revision filing, the Ohio Indemnity Company proposes to revamp its GAP program based on a competitive review of the marketplace.

Due to the nature of GAP policies, the revisions to the rates and rules will not affect any existing policyholders and thus have no premium impact. This is because a GAP policy is effective for the lifetime of the covered vehicle and thus GAP policies are not renewed.

The rate level impact of the rate/rule manual changes is estimated to be +23.0% countrywide. This compares to a countrywide rate level indication of +25.4% as calculated in Exhibit R6. On a statewide basis, the rate level impact of the changes is estimated to be +32.3% based on the in-force distribution of policies in Arkansas. The statewide rate level impact, using in-force premium, is not very credible and the 2007 written premium is \$0 in this state.

For this filing, 7 forms will be revised and 3 new forms will be introduced. A brief summary of the forms revisions follows:

GAP100 Policy Declarations Page - REVISED

This form is a summary of the Limits of Liability and premium associated with the Gap Policy. It identifies the Insured and the Insurer and is the only form, with one exception, that requires a signature.

GAP200 GAP Policy - REVISED

This is the Gap policy that describes the Gap Coverage. It will replace form number GAP200 that is currently approved. There are minor formatting changes throughout this policy form. For instance, the term 'Financing Contract' was replaced with 'Finance Contract'. The major revisions are listed below and referenced by section number. All changes are presented on the black line version of the policy.

1. Added Section II- Limits of Liability
2. Section III- Definitions Used in This Policy
 - Modified C. CUSTOMER, BORROWER, LESSEE, CERTIFICATE HOLDER
 - Modified D. FINANCE CONTRACT
 - Modified E. COVERD VEHICLE
 - Modified F. COMMERCIAL PURPOSES
 - Modified G. PRIMARY CARRIER
 - Modified H CONSTRUCTIVE TOTAL LOSS
 - Modified I. ACTUAL CASH VALUE
 - Modified J. OUTSTANDING BALANCE
 - Modified K. LOSS
 - Modified M. PAST DUE AMOUNT
 - Added definition P. DEFERRED PAYMENTS
 - Added definition Q. FULL REFUND PERIOD
3. Section V- Conditions
 - Modified A. POLICY PERIOD, TERRITORY, PURPOSES OF USE
 - Modified D. FINANCE CONTRACT TERM
 - Added E. COLLATERAL SUBSTITUTION
 - Revised identification letter for conditions F through W
 - Modified K. FINANCE CONTRACT CANCELLATION
 - Modified M. PREMIUM REMITTANCE
 - Modified N. CLAIMS REPORTING AND SETTLEMENT
 - Added X. WAIVER OR ESTOPPEL

**Ohio Indemnity Company
Guaranteed Auto Protection (GAP) Program**

**Filing Memorandum
Arkansas**

GAP302 Privacy Notice - NEW

This is a new form.

GAP300 Finance Contract Cancellation - REVISED

Formerly, the Blanket Endorsement, this form modifies Condition K of the policy and clarifies when premium is refundable.

GAP301 GAP Advantage Endorsement - REVISED

This endorsement adds a Gap Advantage Benefit definition, adds exclusion, and a condition to the GAP200. It was revised to reference a premium and benefit amount listed on the Declaration Page. Rates are applied based upon the benefit amount selected by the Insured.

GAP304 Additional Covered Vehicle Endorsement - NEW

This endorsement amends the Covered Vehicle definition.

GAP307 ACV Endorsement - NEW

This new endorsement amends the Loss and ACV definitions of the GAP200 to enable the Insurer the flexibility of using greater of the ACV as determined by the Primary Carrier, or the ACV determined by the Insurer using NADA.

GAP600 Lender Approval Amendatory Endorsement - REVISED

These endorsements were developed in order for our policy to meet a certain lender's financing requirements. There are multiple versions of this form that were all revised to ensure the references to the GAP200 are accurate and that the formatting is consistent with other endorsements.

GAP601 Lender Approval Amendatory Endorsement - REVISED

These endorsements were developed in order for our policy to meet other lenders' financing requirements. There are multiple versions of this form that were all revised to ensure the references to the GAP200 are accurate and that the formatting is consistent with other endorsements.

GAP400 State Amendatory Endorsement - Arkansas - REVISED

These endorsements are Mandatory endorsements that were originally filed in order for policy approval. They modify various sections of the GAP200 and were revised to ensure that the references to the policy and formatting are accurate and consistent.

Rate of Return Exhibits

Exhibits R1 through R5 provide rate of return support for the proposed rates. Exhibit R1 shows the derivation of the total after tax rate of return on statutory surplus based on the selected budgeted expense provisions for this program. Exhibit R2.1 shows the derivation of the after tax investment income on policyholder supplied funds. Exhibit R2.2 shows the derivation of the reserves to incurred ratio. Exhibit R2.3 shows the projected after tax total rate of return. Exhibit R3 shows the derivation of the selected premium to surplus ratio. Exhibit R4 shows the derivation of the target after tax rate of return on statutory surplus.

These changes are proposed with an effective date of October 1, 2008.

Revised manual pages and forms reflecting the proposed changes are attached.

Ohio Indemnity Company

GAP Program

Rate of Return Exhibits - Exhibit R

Ohio Indemnity Company
GAP Program

Index of Exhibits

- Exhibit R1: Projected After-Tax Rate of Return
- Exhibit R2: Estimated Investment Earnings on Policyholder Supplied Funds
- Exhibit R3: Premium to Surplus Ratio
- Exhibit R4: Derivation of After-Tax Target Rate of Return of Statutory Surplus
- Exhibit R5: Projected Expense Ratios

Ohio Indemnity Company
GAP Program

Projected After-Tax Rate of Return

Operating Return

(1) Earned Premium	100.0%
(2) Expected Loss & Loss Adjustment Expenses as (1) - (3) - (4) - (5) - (6)	65.5%
(3) Commissions (Exhibit R5)	22.5%
(4) General & Other Acq. Expenses (Exhibit R5)	5.5%
(5) Taxes, Licenses & Fees (Exhibit R5)	1.5%
(6) Underwriting Profit Before Federal Income Tax	5.0%
(7) Federal Income Tax on Underwriting Profit = (6) x 35%	1.8%
(8) Underwriting Profit After Federal Income Tax = (6) - (7)	3.3%
(9) After-Tax Inv. Income on Policyholder Supplied Funds (Exhibit R2.1)	4.5%
(10) After-Tax Return from Insurance Operations = (8) + (9)	7.7%

Total Rate of Return

(11) Premium to Surplus Ratio (Exhibit R3)	1.10:1
(12) After-Tax Investment Income on a Dollar of Surplus (Exhibit R2.3)	3.5%
(13) Total After-Tax Rate of Return on Statutory Surplus = (10)x(11)+(12)	12.0%

Ohio Indemnity Company
GAP Program

Estimated Investment Earnings on Policyholder Supplied Funds
(\$000)

(A) Unearned Premium Reserve	
(1) Projected Earned Premium	10,505
(2) Mean Unearned Premium Reserve	17,204
(3) Percentage Pre-Paid Expense	26.8%
(a) Commission and Brokerage Fees (Exhibit R5)	22.5%
(b) 50% General & Other Acq. Expenses (Exhibit R5)	2.8%
(c) Taxes, Licenses & Fees (Exhibit R5)	1.5%
(4) Deduction for Federal Income Taxes Payable	7.0%
(5) Total Prepaid Expense = (A.2) x [(A.3) + (A.4)]	5,806
(6) Portion Subject to Investment Income = (A.2) - (A.5)	11,397
(B) Delayed Remission of Premiums	
(1) Average Agents' Balance as % of Premium	0.5%
(2) Total Delayed Remission = (A.1) x (B.1)	54
(C) Loss & LAE Reserve	
(1) Expected Loss & LAE Ratio (Exhibit R1)	65.5%
(2) Expected Loss & LAE = (A.1) x (C.1)	6,881
(3) Reserve to Incurred Ratio	30.0%
(4) Expected Loss & LAE Reserves = (C.2) x (C.3)	2,064
(D) Policyholder Funds Subject to Investment Income = (A.6)-(B.2)+(C.4)	13,407
(E) 2007 After Tax Rate of Return	3.5%
(F) Investment Earnings on Policyholder Supplied Funds = (D) x (E)	469
(G) After-Tax Investment Income on Policyholder Supplied Funds = (F)/(A.1)	4.5%

Ohio Indemnity Company
GAP Program

Source Notes for Exhibit R2.1
(\$000)

<u>Line</u>		
(A.1)	Projected Earned Premium	10,505
	2007 IEE, Part III, Line(s) 3303, Column 3	
(A.2)	(1) Calendar Year 2007 Aggregate write-ins for other lines of business UPR	17,803
	2007 IEE, Part III, Line(s) 3303, Column 19	
	(2) Calendar Year 2006 Aggregate write-ins for other lines of business UPR	16,604
	2006 IEE, Part III, Line(s) 3303, Column 19	
	(3) Mean Unearned Premium Reserve = [(1)+(2)]/2	17,204
	(4) Selected Mean Unearned Premium Reserve	17,204
(A.4)	The Tax Reform Act of 1986 taxes 20% of the unearned premium reserve. At a corporate rate of 35%, this tax equals 7% (=20% x 35%).	
(B.1)	Selected Agents' Balances	0.5%
	Calendar Year 2007 Aggregate write-ins for other lines of business Agents' Balances	0.7%
	Calendar Year 2006 Aggregate write-ins for other lines of business Agents' Balances	0.3%
	2006, 2007 IEEs, Part III, Line(s) 3303, Column 22	
(C.3)	(1) CY 2007 Countrywide Aggregate write-ins for other lines of business Unpaid L	2,351
	2007 IEE, Part III, Line(s) 3303, Columns 13, 15, 17	
	(2) CY 2006 Countrywide Aggregate write-ins for other lines of business Unpaid L	1,735
	2006 IEE, Part III, Line(s) 3303, Columns 13, 15, 17	
	(3) Average Unpaid Loss & LAE = [(1)+(2)]/2	2,043
	(4) CY 2007 Countrywide Aggregate write-ins for other lines of business Incurred I	7,678
	2007 IEE, Part III, Line(s) 3303, Columns 7, 9, 11	
	(5) Reserve to Incurred Ratio = (3) / (4)	26.6%
	(6) Selected Reserve to Incurred Ratio	30.0%

Notes:

Figures are from Company 2006 and 2007 Insurance Expense Exhibits.

Industry Reserve to Incurred Ratios are based on Line 3303 - Aggregate write-ins for other lines of business from the NAIC Statistical Compilation of Annual Statement Information for Property/Casualty Insurance Companies in 2004, 2005 and 2006.

Ohio Indemnity Company
GAP Program

Source Notes for Exhibit R2.1 (Continued)

Line E

ENCL E

Investment Category	2007 Investment Income Earned	Tax Rate	After-Tax Portion	2007 After-Tax Investment Income	
Taxable Bonds	252,631	35.00%	65.00%	164,210	
Non-Taxable Bonds	3,095,415	5.25%	94.75%	2,932,906	
Preferred Stocks	689,532	35.00%	65.00%	448,196	
Common Stocks	0	35.00%	65.00%	0	
Common Stocks in Affiliates	0	14.18%	85.83%	0	
Cash	116,791	35.00%	65.00%	75,914	
All Other Investments	0	35.00%	65.00%	0	
Total	4,154,369			3,621,226	
Total Investment Expense	377,671	35.00%	65.00%	245,486	
Net Investment Income Earned	3,776,698			3,375,740	
Invested Assets as of 12/31/2006 2007 Annual Statement, Page 2, Line 10, Column 4				92,048,361	
Invested Assets as of 12/31/2007 2007 Annual Statement, Page 2, Line 10, Column 3				100,059,414	
Average Invested Assets				96,053,888	
Calendar Year	Beginning Invested Assets	Ending Invested Assets	Average Invested Assets	Net Realized Capital Gains	Net Realized Capital Gains Ratio
2005	80,716,312	98,552,719	89,634,516	1,121,289	1.3%
2006	98,552,719	92,048,361	95,300,540	-19,082	0.0%
2007	92,048,361	100,059,414	96,053,888	-1,225,293	-1.3%
Total	271,317,392	290,660,494	280,988,943	-123,086	0.0%
Selected Realized Capital Gains					0.0%
Tax Rate on Realized Capital Gains					35.0%
After-Tax Realized Capital Gains					0.0%
After-Tax Rate of Return					3.5%
After-Tax Rate of Return for 2006					3.4%
Selected After-Tax Rate of Return					3.5%
After-Tax Total Rate of Return					3.5%

Notes:

Figures are from Company 2007 Annual Statement.

Ohio Indemnity Company
GAP Program

Premium to Surplus Ratio

	Calendar Year 2006	Calendar Year 2007
(1) Beginning Surplus As Regards Policyholders Annual Statement, Page 3, Line 35, Column 2	34,782,737	40,458,732
(2) Ending Surplus As Regards Policyholders Annual Statement, Page 3, Line 35, Column 1	40,458,732	45,065,039
(3) Average Surplus Level = [(1)+(2)]/2	37,620,735	42,761,886
(4a) Net Written Premiums Annual Statement, Page 8, Line 34, Column 6	48,806,034	45,782,215
(4b) Direct Written Premiums Annual Statement, Page 8, Line 34, Column 1	55,542,460	72,496,435
(5a) Net Premium to Surplus Ratio = (4a) / (3)	1.30	1.07
(5b) Industry Net Premium to Surplus Ratio	1.00*	0.96**
(6) Selected Premium to Surplus Ratio		1.10

Notes:

Premium and Surplus figures are from Company 2007 and 2006 Annual Statements.
Industry figures are from Industry 2006 and 2005 Annual Statements.

* This figure is for Calendar Year 2005.

** This figure is for Calendar Year 2006.

Ohio Indemnity Company
GAP Program

Derivation of After-Tax Target Rate of Return of Statutory Surplus

After Tax Rate of Return on Net Worth

	(1)	(2)	(3) =[(1)+(2)]/2
Year	Property/ Casualty	Industry Total	Average
1997	11.4%	13.9%	12.7%
1998	9.2%	13.4%	11.3%
1999	6.5%	15.2%	10.9%
2000	6.6%	14.6%	10.6%
2001	0.3%	10.4%	5.4%
2002	1.7%	10.2%	6.0%
2003	8.2%	12.6%	10.4%
2004	8.0%	13.9%	11.0%
2005	8.3%	14.9%	11.6%
2006	12.2%	15.4%	13.8%
1997-2006	7.2%	13.5%	10.3%
Avg x-2001/2	8.8%	14.2%	11.5%

(4)	Selected After-Tax Return on GAAP Equity	11.5%
(5)	2007 Statutory Surplus	45,065,039
(6)	2007 Net Unearned Premium Reserve	32,581,000
(7)	GAAP Equity in Unearned Premium Reserve	5,603,932
(8)	2007 GAAP Equity = (5) + (7)	50,668,971
(9)	GAAP to Statutory Adjustment Factor = (8) / (5)	1.12
(10)	Target After-Tax Return on Stat. Surplus = (4) x (9)	12.9%

Notes:

- (1), (2) from 2006 NAIC Profitability Analysis.
 (4) excludes 2001 and 2002 because September 11th cause them to be outliers.
 (5) from Company 2007 Annual Statement, Page 3, Line 35, Column 1.
 (6) from Company 2007 Insurance Expense Exhibit, Part II, Line 34, Column 19.
 (7) = (6) x Company Average Commissions and Other Acquisition Costs.

Ohio Indemnity Company
GAP Program

Projected Expense Ratios

	Countrywide						3 Year Average	Selected
	2005		2006		2007			
Direct Basis	(\$000)	%	(\$000)	%	(\$000)	%	%	%
Premiums Written	13,056		11,064		11,704			
Premiums Earned	8,221		9,633		10,505			
Commission	2,199	16.8%	721	6.5%	375	3.2%	8.9%	22.5%
Other Acquisition	24	0.3%	-	0.0%	(14)	-0.1%	0.1%	0.0%
General Expenses	1,330	16.2%	1,203	12.5%	995	9.5%	12.7%	5.5%
Taxes, Licenses, & Fees	205	1.6%	230	2.1%	164	1.4%	1.7%	1.50%
Total Expenses		34.9%		21.1%		13.9%	23.3%	29.5%
Profit Load								5.0%
Total Expenses & Profit								34.5%
Permissible Loss & LAE Ratio								65.5%
ULAE	37	0.5%	73	0.8%	72	0.7%	0.6%	0.5%
ALAE	26	0.3%	15	0.2%	82	0.8%	0.4%	0.5%
Total LAE		0.8%		0.9%		1.5%	1.0%	1.0%
Permissible Loss & ALAE Ratio								65.0%
Permissible Loss Ratio								64.5%

Notes:

Expense figures are from Company 2005, 2006 and 2007 Insurance Expense Exhibits, Line 3303 - Aggregate write-ins for other lines of business.
 Commission selected is based on expected average commissions for this program.
 Commission and Taxes are shown as a percent of written premium.
 General Expenses and Other Acquisition Expenses are shown as a percent of earned premium.
 Support for the selected profit provision is included in Exhibit R1.

Ohio Indemnity Company
Guaranteed Auto Protection ("GAP") Program
Optional Loan/Lease and Blanket Loan/Lease Combined
Countrywide Rate Indication - As of 3-31-2008
Projection of policy period 10-1-2008 to 9-30-2009

	Policy Year					Total
	2003	2004	2005	2006	2007	
(1) Earned Premium	4,535,753	6,565,122	8,115,600	5,475,057	2,771,187	27,462,718
(2) Percentage Earned to Date	97.6%	92.3%	76.6%	54.3%	28.3%	
(3) Ultimate Earned Premium	4,648,309	7,114,428	10,594,708	10,090,970	9,795,952	42,244,368
(4) On-Level Factor	1.000	1.000	1.000	1.000	1.000	
(5) On-level Trended Earned Premium	4,648,309	7,114,428	10,594,708	10,090,970	9,795,952	42,244,368
(6) Paid Loss	2,856,153	4,215,811	5,549,476	4,274,534	1,571,672	18,467,646
(7) Paid ALAE	40,154	43,721	33,360	36,811	31,273	185,318
(8) Unpaid Losses	6,623	115,361	896,491	2,766,427	5,841,177	9,626,078
(9) Ultimate Loss & ALAE	2,902,929	4,374,893	6,479,326	7,077,772	7,444,121	28,279,041
(10) Loss & ALAE Trend Factor	1.398	1.319	1.244	1.174	1.107	
(11) Trended Ultimate Loss & ALAE	4,058,472	5,770,157	8,062,026	8,308,163	8,243,583	34,442,401
(12) Trended Ultimate Loss & ALAE Ratio	87.3%	81.1%	76.1%	82.3%	84.2%	81.5%
(13) Credibility						100.0%
(14) Complement of Credibility						68.9%
(15) Credibility Weighted Loss & ALAE Ratio						81.5%
(16) Permissible Loss & ALAE Ratio						65.0%
(17) Indicated Rate Level Change						25.4%



OHIO INDEMNITY COMPANY

June 18, 2008

Re: Ohio Indemnity Company, NAIC Number 26565

To Whom It May Concern:

Perr & Knight, Inc. is hereby authorized to submit, rate, rule, form filings on behalf of Ohio Indemnity Company. This authorization includes providing additional information and responding to questions regarding the filings on our behalf as necessary. This authorization is deemed to be in effect until rescinded in writing.

Please direct all correspondences and inquiries related to this filing to Perr & Knight, Inc. at the following address:

State Filings Department
Perr & Knight, Inc.
881 Alma Real Drive, Suite 205
Pacific Palisades, CA 90272
Phone: (310) 230-9339
Fax: (310) 230-1061

Please contact me if you have any questions regarding this authorization.

Sincerely,

Daniel J. Stephan
President of OIC Lender Services
Phone: (614) 220-5210
Fax: (614) 228-5552

dstephan@oiclenderservices.com